The Munyanga Tribunal Decision

Tax Appeals Tribunal clarifies the 90-Day rule for URA objection decisions

On 30 June 2026, the Tax Appeals Tribunal ruled that Munyanga Development Limited validly elected to treat its objection as allowed after the Uganda Revenue Authority ("URA") failed to serve its objection decision within the statutory 90-day period, rendering URA's later decision after the election null, void and unenforceable.

Introduction

Munyanga Development Limited, trading as Mahogany Springs Luxury Resort in Kihihi, Kanungu District, is engaged in the business of tourist accommodation. On 22 November 2025, URA issued an additional income tax assessment for the period 2022 to 2024 on the basis that the revenue reported in the taxpayer's audited financial statements did not match the credits reflected on its bank statements.

On 31 December 2025, Munyanga objected to tax amounting to UGX 2,451,456,441. On 31 March 2026, Munyanga lodged issued an election notice under Sections 26(6) and 26(7) of the TPCA to treat the objection as allowed, on the basis that URA had not served an objection decision within the prescribed 90-day statutory period.

On 31 March 2026, after Munyanga objected had lodged its election, URA issued an objection decision partially allowing the objection in the sum of UGX 792,248,194 and disallowing the objection in the sum of UGX 1,808,625,194. URA also issued an election rejection notice on the same day.

Submissions by the Parties

Munyanga Development Limited's submissions

Munyanga argued that Section 26(6) of the Tax Procedures Code Act (TPCA) requires URA to serve its objection decision within 90 days from the date of receipt of the objection lodged on 31 December 2025. Because URA had not served an objection decision by 30 March 2026, Munyanga lodged its election under Section 26(7) at 9:50 am on 31 March 2026.

Munyanga submitted that Section 26(8) operates automatically once an election is lodged and does not require the Commissioner General's approval. It further argued that URA's electronic system only allows an election to be lodged after the expiry of the statutory ninety-day period, demonstrating that the election could not have been made prematurely.

Munyanga maintained that once the election took effect, URA no longer had authority to issue a subsequent objection decision and that the UGX 1,808,625,194 assessment arising from that decision was therefore unlawful.

URA's submissions

URA argued that Section 34(1)(a) of the Interpretation Act excludes the day on which the relevant event occurs when calculating statutory time. On that basis, URA contended that the 90-day period began on 1 January 2026 and expired on 31 March 2026, making its objection decision timely.

URA also argued that requests for documents and reconciliation meetings extended or waived the period under Section 26(9).

Decision of the Tribunal

- **Computation of the 90-day period:** The Tribunal held that the phrase "from the date of receipt of the objection" means that time begins running on the date the objection is received and not on the following day. The Tribunal further held that the TPCA overrides the general provisions of the Interpretation Act. Accordingly, the ninety-day period expired on 30 March 2026, making the taxpayer's election on 31 March 2026 valid. The Tribunal also noted that URA's electronic system only permits elections after the expiry of ninety days.

- **Effect of the election:** The Tribunal held that the taxpayer validly lodged its election at 9:50am on 31 March 2026. Under Section 26(8), the election immediately operated to deem the objection allowed. This legal consequence occurred automatically and did not require URA's approval or acceptance.

- **Validity of URA's objection decision:** The Tribunal found that URA served its objection decision electronically at about 6:11pm on 31 March 2026, several hours after the election had been lodged. By that time, the objection had already been conclusively resolved by operation of law. The Tribunal held that URA had become functus officio and therefore lacked jurisdiction to issue a further objection decision. The objection decision, which partially allowed the objection by UGX. 792,248,194 and disallowed it by UGX. 1,808,625,194, was consequently declared null and void.

- **Waiver:** Tribunal rejected URA's argument that ongoing engagements and document requests automatically extended the statutory period. It held that for Section 26(9) to apply, any waiver or extension had to be communicated to the taxpayer before the election was lodged. There was no evidence that URA had provided such notification.

- **Orders:** The Tribunal declared the election valid, declared URA's objection decision null and void, set aside the UGX. 1,808,625,194 additional assessment and awarded costs to Munyanga.

Key Takeaways

The 90-day period for URA to serve an objection decision under Section 26(6) of the TPCA starts "from the date of receipt" of the objection, not from the day after receipt.

The TPCA is a specific tax statute and its provisions on objection timelines take precedence over the general computation of time rules under the Interpretation Act.

Where URA fails to serve an objection decision within the prescribed 90-day period, the taxpayer may validly elect under Section 26(7) to treat the objection as allowed.

An election under Section 26(7) is automatic and self-executing once lodged. It does not require approval or acceptance by the Commissioner General.

Once a valid election is lodged, URA can no longer issue a new decision or revise its position on that same objection.

Requests for documents or ongoing reconciliation engagements do not automatically extend or waive the 90-day statutory period. For Section 26(9) to apply, URA must communicate any waiver or extension to the taxpayer before the taxpayer lodges an election.

Keep time stamped records. The objection date, document submissions, election time and decision service time can decide a deadline dispute.

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